

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
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United States Courts
Southern District of Texas
FILED

JAN 15 2002

Michael N. Milby, Clerk of Court

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION

IN RE:	§	CASE NO.
	§	
LATTICE COMMUNICATIONS INC.	§	01-80358-G3-11
	§	(Chapter 11)
DEBTOR	§	

MOTION OF UNITED STATES TRUSTEE TO CONVERT CASE
TO CHAPTER 7, OR, IN THE ALTERNATIVE, TO DISMISS

LOCAL RULE 9013(b) NOTICE: IF YOU WANT A HEARING, YOU MUST REQUEST ONE IN WRITING, AND YOU MUST RESPOND SPECIFICALLY TO EACH PARAGRAPH OF THIS PLEADING. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT, 601 ROSENBERG, ROOM 411, GALVESTON, TX 77550 WITHIN TWENTY DAYS FROM THE DATE YOU WERE SERVED AND GIVE A COPY TO THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF.

IF A PARTY REQUESTS EMERGENCY CONSIDERATION, THE COURT MAY ACT EXPEDITIOUSLY ON THE MATTER. IF THE COURT ALLOWS A SHORTER RESPONSE TIME THAN TWENTY DAYS, YOU MUST RESPOND WITHIN THAT TIME. IF THE COURT SETS AN EMERGENCY HEARING BEFORE THE RESPONSE TIME WILL EXPIRE, ONLY ATTENDANCE AT THE HEARING IS NECESSARY TO PRESERVE YOUR RIGHTS. IF AN EMERGENCY HEARING IS NOT SET, YOU MUST RESPOND BEFORE THE RESPONSE TIMES.

TO THE HONORABLE LETITIA Z. CLARK
UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, THE UNITED STATES TRUSTEE ("UST"), through the undersigned attorney, who respectfully moves this Court under 11 U.S.C. §1112(b) for an order converting this case to Chapter 7 or, in the alternative, dismissing this case. In support thereof, the UST represents

as follows:

1. The UST is imposed with certain administrative responsibilities pursuant to 28 U.S.C. §586(a), which include the supervision of the operation of the debtor and progress of cases pending under chapter 11.
2. This case was commenced by the filing of a voluntary petition on August 29, 2001.
3. Debtor has failed to file a disclosure statement and plan of reorganization, and it is more than 120 days after the date of the order of relief. Upon information and belief, the Debtor has not sought any extension of the exclusivity period in which to file a disclosure statement and plan of reorganization.
4. 11 U.S.C. §1112(b) provides, inter alia, that the court may convert or dismiss a case, whichever is in the best interest of creditors and the estate, for cause, including unreasonable delay by the debtor that is prejudicial to creditors and failure to propose a plan under section 1121 of this title within any time fixed by the court.
5. The UST recommends conversion of this chapter 11 case to chapter 7.

WHEREFORE, the UST prays that this Court enter an order converting this case to a case under chapter 7 or, in the alternative, dismissing this chapter 11 case, and for any and all further relief as may be equitable and just.

Dated: January 14, 2002

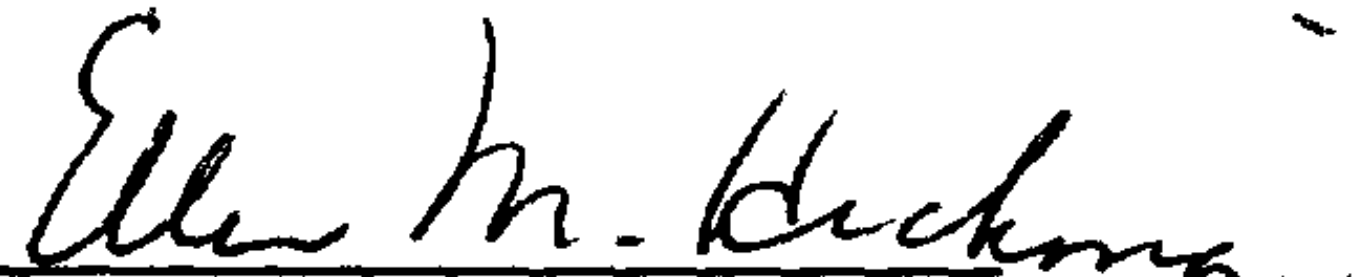
Respectfully submitted,

RICHARD W. SIMMONS
UNITED STATES TRUSTEE

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing MOTION OF THE UNITED STATES TRUSTEE TO CONVERT CASE TO CHAPTER 7, OR, IN THE ALTERNATIVE, TO DISMISS was served upon the debtor, debtor's counsel and parties requesting notice by first class, United States mail, postage prepaid on 14th day of January, 2002, at the addresses listed below. Notice of the motion will be served on all parties in interest and will be evidenced by the certificate of mailing prepared by the Clerk of Courts.


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